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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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50

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25X1

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SECRET

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# *Central Intelligence Bulletin*

## CONTENTS

South Vietnam: South Vietnamese troops engage a large Communist force in the U Minh forest. (Page 1)

Czechoslovakia-USSR: Czech leaders expect to take home solid evidence of Soviet support. (Page 2)

Zambia: Agreement in principle has been reached on nationalizing two copper companies. (Page 3)

Nigeria: Western State economic concessions may curb rioting. (Page 4)

Bolivia: Compensation to Bolivian Gulf will fall far short of the company's total investment. (Page 5)

East Germany - Southern Yemen: Pankow has extended economic aid in exchange for recognition. (Page 6)

Romania-GATT: New discussions have been scheduled on Romania's possible accession. (Page 7)

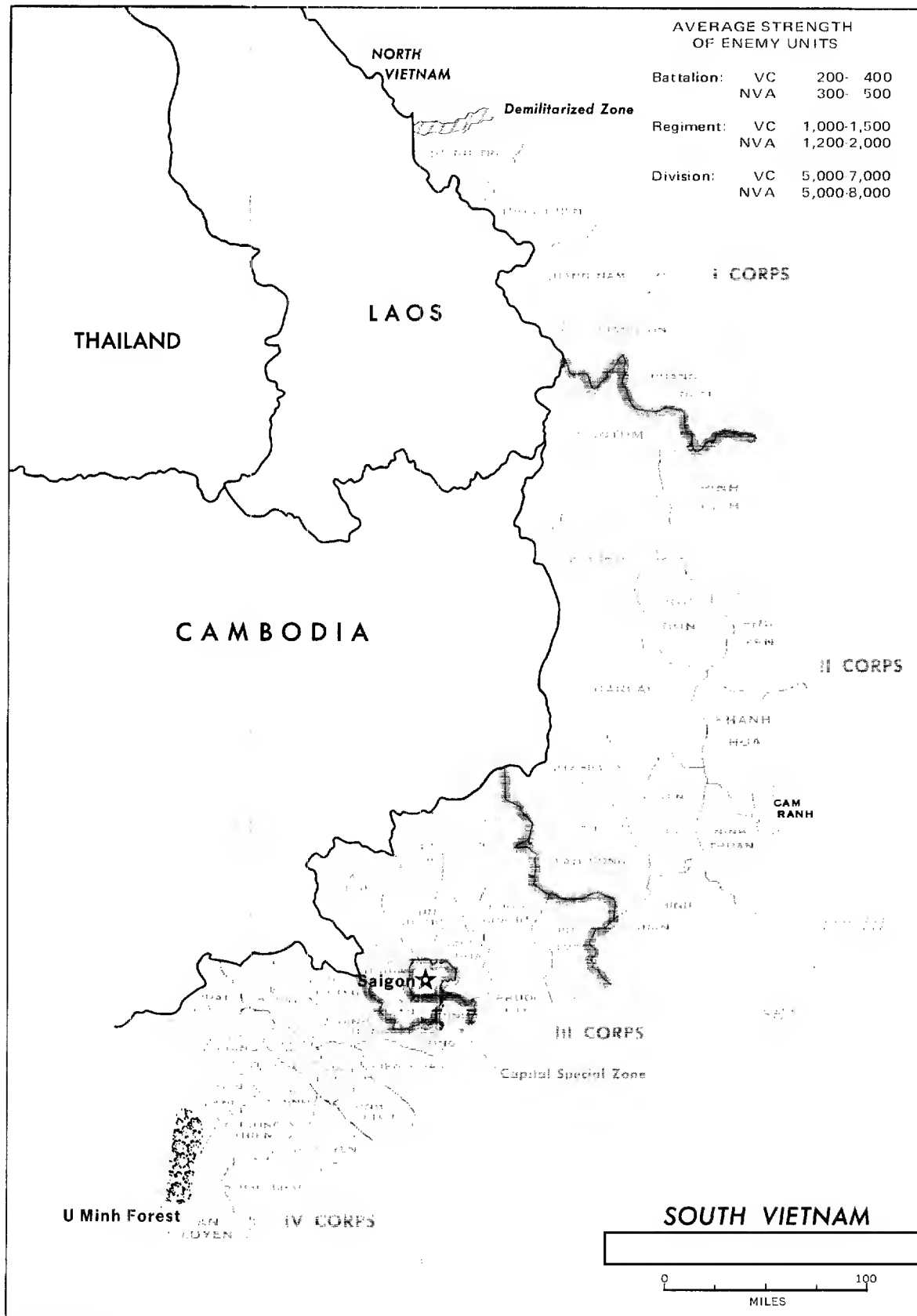
25X1

Libya: Government dissension (Page 9)

Ecuador: Student-police clashes (Page 10)

SECRET

SECRET



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SECRET

SECRET

【South Vietnam]: The pattern of light military activity was broken in the Mekong Delta on 19 October when South Vietnamese troops engaged a large Communist force in the U Minh forest and reported killing 96 of the enemy.

The South Vietnamese, backed by US helicopter gunships, may have met part of the 273rd Regiment--composed largely of North Vietnamese personnel--which has been operating in this part of the delta since its shift from the III Corps area last May. Elsewhere, the enemy conducted several terrorist attacks against both military and civilian targets.



25X1

21 Oct 69

*Central Intelligence Bulletin*

1

SECRET

SECRET

Czechoslovakia-USSR: The Czechoslovak leaders now in Moscow probably expect to take home solid evidence of Soviet support.

They were given a warm public welcome yesterday as they began a nine-day visit. Prior to leaving Prague, the Czechoslovaks carefully fostered the idea that in addition to symbolizing Moscow's full acceptance of Husak and a restoration of more or less normal relations, the trip would have tangible benefits as well. Prague Radio's Moscow correspondent broadcast a report on Sunday predicting that a new document of basic political importance would be signed. Later domestic broadcasts indicated that important economic issues would also be discussed.

The Czechoslovaks probably hope for a promise of significant economic aid and perhaps an announcement of the terms for the withdrawal of some Soviet forces. Both of these questions reportedly have been raised by Husak previously, but the Soviets had declined to discuss them because the situation in Czechoslovakia was not stable enough.

Now, however, the Soviets may be ready to make some gestures that would give the impression of a return to normalcy, strengthen Husak's hand, and improve the prospects for his rule.

25X1

21 Oct 69

*Central Intelligence Bulletin*

2

SECRET

SECRET

Zambia: The government has reached agreement in principle on the nationalization of two foreign copper companies.

The American Embassy in Lusaka reports the agreement appears to be relatively favorable to the companies. The settlement is based on full book value for each company, but the book value of the US-controlled Roan Selection Trust (RST) is about one third less than that of Anglo American, a South African corporation. Lusaka is offering compensation for RST's greater profit potential. RST will be allowed to repatriate more than \$42 million in profits blocked in Zambia and restrictions on remitting foreign exchange will be lifted. Moreover, RST will receive a management contract to run its present mining operations and will continue to hire personnel and purchase equipment.

Zambia also has announced acceptance of Shell-British Petroleum's offer to sell 51 percent of its interests in Zambia to the government. President Kenneth Kaunda says that a similar arrangement has been concluded with the AGIP oil company of Italy. The government's attitude toward the four American oil marketing companies that may now be squeezed out of the market is unknown.

25X1

21 Oct 69

*Central Intelligence Bulletin*

3

SECRET

Nigeria: The Western State government has made economic concessions to antitax agitators who have been rioting sporadically over the past year.

The concessions include an almost 50-percent reduction in tax rates. This move will probably reduce at least temporarily the danger of further rioting in the homeland of the Yoruba tribe, and may be a prelude to the removal of the corrupt and unpopular state governor.

The government's concessions appear to have strengthened the political image of Chief Awolowo, the leader of one Yoruba faction and holder of the highest civilian position in the federal government. He publicly advocated such measures.

The potential for further antigovernment rioting has not been completely removed, however. An anti-Awolowo faction of the Yorubas that wants a separate state had been using economic discontent to stir up rioting, and is unlikely to stop its agitation, particularly now that Awolowo seems to be gaining ground.

25X1

21 Oct 69

*Central Intelligence Bulletin*

4

SECRET



SECRET

Bolivia: The government has indicated that compensation to be paid Bolivian Gulf for its expropriated property will fall far short of the company's total investment.

Minister of Mines Quiroga has said that Gulf will be paid only for its physical plant and equipment. He has specifically ruled out payment for gas and oil currently stored by the company in Bolivia. Moreover, except for fixed assets there will be no compensation for investments that the company made in the country because "what it might have spent does not interest us."

Quiroga also seems to be preparing the way for a claim that Gulf owes a debt to the state that will at least partially offset any compensation that might be decided on. Peru did the same thing in similar circumstances. The minister said that an audit to establish the amount to be paid the company may show "possible fraud in the area of royalties."

According to the US Embassy in La Paz, if only fixed assets were paid for, the compensation would amount to no more than \$85 million even with the most favorable appraisal. Gulf's total investment in Bolivia is approximately \$140 million.

25X1

21 Oct 69

*Central Intelligence Bulletin*

5

SECRET

East Germany - Southern Yemen: Pankow is continuing its policy of giving economic aid in return for recognition by less developed countries.

According to the Director General of the Planning Office of Southern Yemen, a \$24 million aid agreement has been signed with East Germany. Half of the credits will finance the import of East German commodities, while the other half will be used for unspecified projects. Southern Yemen announced its diplomatic recognition of East Germany on 30 June.

The Director General commented that the aid was less than Southern Yemen had hoped for; other Communist countries, however, have provided even smaller amounts. The USSR extended about \$11 million in credits and Communist China reportedly offered \$12 million. Both of these credits probably will be used for land reclamation and for construction of roads and airfields. The Soviets also agreed to provide technical assistance in various fields and to the fishing industry.

East Germany also signed economic aid agreements with Iraq, Syria, the Sudan, and Cambodia following their recognition.

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25X1

21 Oct 69

Central Intelligence Bulletin

6

SECRET

SECRET

Romania-GATT: No final agreement was reached on Romania's accession to the General Agreement on Tariffs and Trade (GATT) at a recent meeting of the working parties in Geneva.

The failure was due largely to Canada's refusal to agree to a deal worked out by the European Communities (EC) and Romania. Although the details are not known, the deal apparently would permit Romania to enter GATT without specific initial concessions in return for Romania's acceptance of discriminatory EC quotas. Bucharest officially favors the elimination of discriminatory quotas, but its delegate reportedly did not press the EC group strongly for their removal. Romania would receive some benefit, however, in the form of tariff concessions from GATT membership.

The UK pressed hard for an accord similar to the protocol under which Poland joined GATT. This protocol includes agreement on Poland's import targets and inspection of its annual trade plan.

Additional discussions on Romania's accession will be resumed on 24 November.

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25X1

21 Oct 69

Central Intelligence Bulletin

7

SECRET

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## LEBANON: Fedayeen Move to New Base Camps



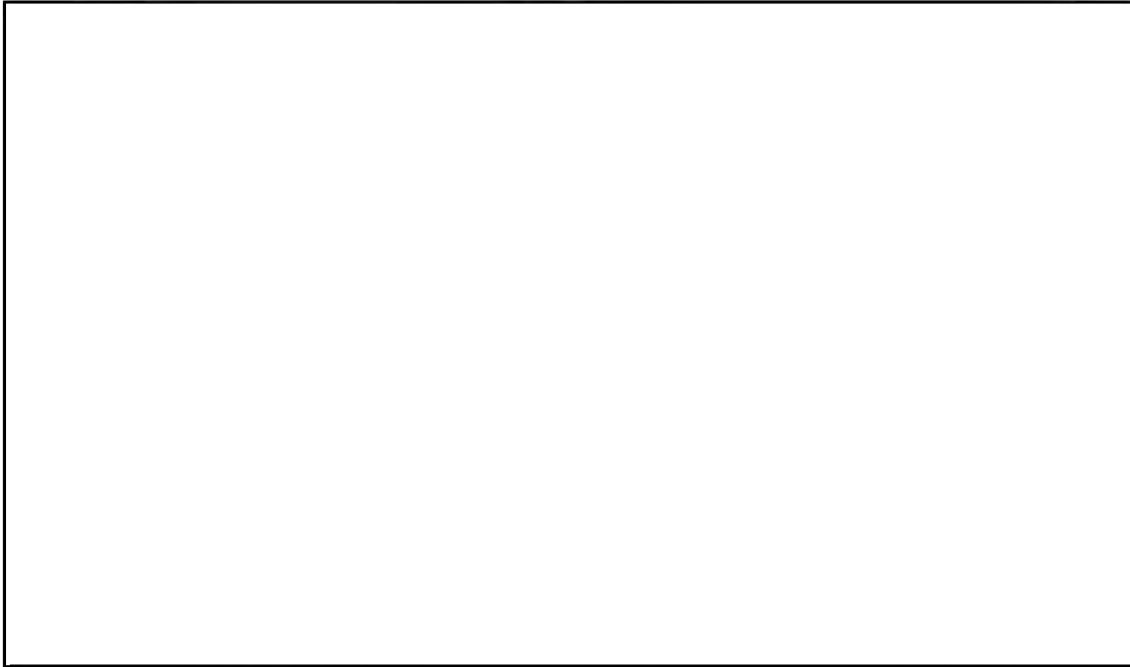
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25X1

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25X1

Libya: President Qaddafi's plans to meet with Egyptian President Nasir are reportedly creating further dissension within the Revolutionary Command Council. [redacted] opponents of this meeting fear that it could result in greater Egyptian influence. This would be especially distasteful to the Cyrenaicans, who are traditionally distrustful of Egyptian intentions. Another problem for the junta is the declining morale among the national security police who resent the heavy hand of army control. If the regime's internal divisions continue to mount, dissident elements might organize themselves for a counter coup. [redacted]

25X1  
25X1

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21 Oct 69

Central Intelligence Bulletin

9

SECRET

SECRET

**[** Ecuador: The determination of the government to maintain order was put to the test yesterday in Guayaquil as repeated clashes between students and police over the closing of a high school resulted in the fatal shooting of one student. His death will undoubtedly be used by student leaders and agitators as a cause in their efforts to rally support on a nationwide scale against the Velasco government. It remains to be seen if student and labor groups feel strong enough on this issue in Quito to risk repressive action by the security forces.

25X1

21 Oct 69

*Central Intelligence Bulletin*

10

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